

Press Release

Shree Aarti Enterprises

November 16, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.50	ACUITE D Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	20.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

ACUITE has downgraded the long term rating to '**ACUITE D' (read as ACUITE D)** from '**ACUITE B+' (read as ACUITE B plus)** to Rs.20.50 crore bank facilities of Shree Aarti Enterprises (SAE). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

Rationale for the rating

The downgrade is on account of the feedback received from the banker that the account had been classified as NPA (Non Performing Asset). The company has been non-cooperative with us since the past four years and has not been submitting No Default Statement (NDS) also.

About the Company

Shree Aarti Enterprises (SAE) was established in 1998 as a partnership firm among 4 partners based out of Madhya Pradesh. It is a family owned business managed by Mr. Abhishek Goyal, Mr. Bhikamchand Goyal, Mr. Kailashchand Goyal and Mrs. Shakuntala Goyal. The firm is engaged in ginning and pressing of cotton bales, extraction of cottonseed oil and wholesale trading of food grains.

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit

rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

Brickworks, vide its Press Release dated 31.05.22, reaffirmed SAE to BWR C; Issuer Not Cooperating.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Nov 2021	Term Loan	Long Term	3.50	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.07	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	3.34	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.59	ACUITE B+ (Downgraded and Issuer not co-operating*)
27 Aug 2020	Term Loan	Long Term	1.59	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Proposed Bank Facility	Long Term	3.34	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	3.50	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	0.07	ACUITE BB- Stable (Assigned)
	Cash Credit	Long Term	12.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
30 Jan 2020	Proposed Bank Facility	Long Term	2.96	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	2.04	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE B+ (Issuer not co-operating*)
	Proposed Term Loan	Long Term	3.50	ACUITE B+ (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	12.00	ACUITE D Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	3.34	ACUITE D Downgraded Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.59	ACUITE D Downgraded Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.07	ACUITE D Downgraded Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	3.50	ACUITE D Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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